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outside the locality concerned." "Abolish land monopoly," says the author, "protective tariffs, subsidies and patent-rights so-called, together with corporate privileges, the State assuming control of all public utilities, and there will not long remain any fortunes so large as to attract envious attention or as to enable their possessors to dominate the business world."

C. L. K.

HADLEY, ARTHUR TWINING. *Undercurrents in American Politics*. Pp. xii, 185. Price, \$1.35. New Haven: Yale University Press, 1915.

This is a popular and fairly vital discussion of some of the more important factors in actual political life. The lecture titles are: The Gradual Development of American Democracy, The Constitutional Position of the Property Owner, Recent Tendencies in Economics and in Legislation, Political Methods Old and New, The Reaction against Machine Control and The Seat of Power To-day. The best lecture is the one on the Constitutional Position of the Property Owner, in which President Hadley shows that the American political and social system is based on American industrial property rights, that these rights have been protected by constitutional compact and that we have had to date much industrial unrest but no industrial reform. There is nothing in the volume to indicate that President Hadley is personally opposed to any of the immediate present-day tendencies in social, industrial and political reform, provided only that ample returns be allowed to the railroads. He discusses interestingly the ineffectiveness of unorganized public opinion, the dangers of the invisible government, the power of the independent press and the necessity for such a civic organization as will make for a proper formulation of public opinion.

C. L. K.

HOLMES, FRED L. *Regulation of Railroads and Public Utilities in Wisconsin*. Pp. xi, 375. Price, \$2.00. New York: D. Appleton and Company, 1915.

As Wisconsin has been a pioneer in the field of railroad and public utility regulation by a state commission, no less a pioneer is the recent publication of Mr. Fred L. Holmes on the history and operation of the Wisconsin railroad and utility law. "The aim of this volume," to quote the author, "is to present the important facts of this history of railroad and public utility regulation; to analyze the chief problems confronting this system of control and to measure the accomplishments, industrially and politically." Although the study is restricted to a treatment of the Wisconsin situation, it may well serve as a text on the subject of regulation by state utilities. The treatment is not merely comprehensive but is clearcut and illuminating.

Of vital present interest among the topics treated are the subjects of physical valuation, rate of return, standardization of service, depreciation, making of rates, granting of permits, regulation of stocks and bonds, and state versus local control.

The reproduction theory of valuation, as adopted by the Wisconsin Commission, is clearly analyzed. "What the same company would earn under similar circumstances in competitive conditions" is a reasonable return, according to the

commission. A depreciation account as a part of the operating expense must be provided for, "to which shall be charged monthly, crediting the depreciation reserve, an amount equal to one-twelfth of the estimated annual depreciation of the tangible capital in the service of the utility." "Reasonableness" is the standard for measuring rates. To determine a reasonable rate, two controlling factors are involved, particularly in making freight rates—cost and classification. With respect to bond regulation, the commission authorizes and exercises strict supervision over all issues. Experience in Wisconsin prefers state to local control of utilities. The primary argument favoring this opinion is the confusion that would result from a decentralized authority.

That the utility laws have been a success, goes without question. Inestimable effectiveness, according to the author, has been lent to the Wisconsin law by the publicity requirement. Under this provision the public is taken into the full confidence of the commission. The author believes there will be a future of great service for the state commission. He predicts a rapid increase in the number of utilities, municipally owned, for which plants the commission will perform the function of "a great clearing house of information." The state commissions, found necessary from an economic standpoint, are rendering invaluable service and are daily proving the justification for their existence by indiscriminate fair treatment to capital and consumer.

F. W. B.

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Municipal Year Book of the City of New York, 1915. Pp. 155. Price, 15 cents.
New York: Municipal Reference Library, 1915.

SHAMBAUGH, BENJ. F. (Ed.). *Applied History* (Vol. II). Pp. xx, 689. Price, \$3.00. Iowa City: State Historical Society of Iowa, 1914.

The second volume of the Iowa Applied History Series presents another valuable symposium in the field of contemporary legislation. In 1912 the State Historical Society of Iowa published Volume I comprising a series of monographic studies in the political, economic, and social history of the Commonwealth. These contributions to current legislation were in the nature of briefs of the more exhaustive researches being made and authorized by the Historical Society. The purpose of this series, edited by Mr. Benjamin F. Shambaugh, Professor of Political Science in the State University of Iowa and Superintendent of the State Historical Society is to facilitate the work of legislation in the state by performing the function of legislative research.

The ten papers comprising the present volume are as follows: Reorganization of State Government by Mr. Horack, Home Rule by Mr. Patton, Direct Legislation by Mr. Van der Zee, Equal Suffrage by Mr. Horack, Selection of Public Officials by Mr. Peterson, Removal of Public Officials by Mr. Patton, The Merit System, by Mr. Van der Zee, Social Legislation by Mr. Briggs, Child Labor Legislation by Mr. Haynes, and Poor Relief Legislation by Mr. Gillin. These studies are important not merely from a local point of view but should be essentially interesting to every state, in that they mark off in a definite way the stages through which we have progressed and the goal toward which we are advancing.